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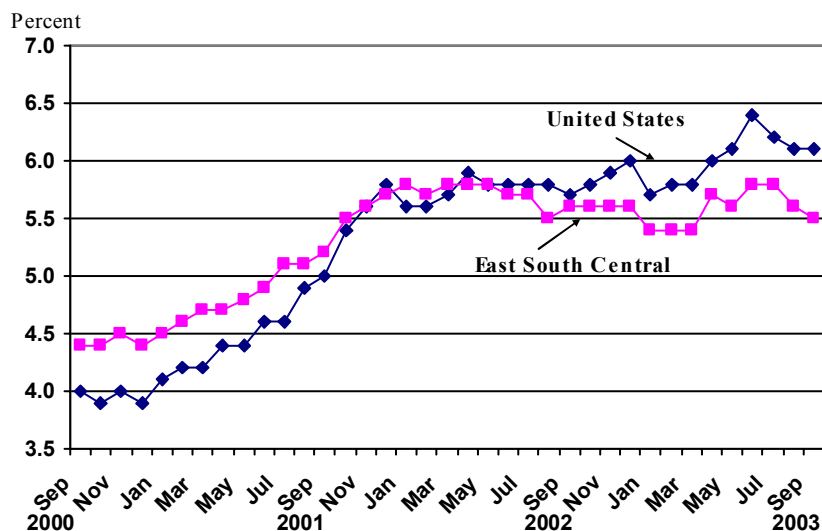
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EMPLOYMENT AND UNEMPLOYMENT IN THE EAST SOUTH CENTRAL STATES, SEPTEMBER 2003

The unemployment rate in the East South Central¹ division was 5.5 percent in September, 0.3 percentage point below its level in June, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Regional Commissioner Janet S. Rankin noted that the unemployment rate for the division has remained in the 5.4- to 5.8- percent range since the beginning of the year. Since October 2002, the unemployment rate for the East South Central division has been below the national average. Compared to a year ago, the division's unemployment rate was virtually unchanged while the rate for the U.S. increased 0.4 percentage point to 6.1 percent.

Chart A. Unemployment rates for the United States and East South Central division, September 2000 to September 2003, seasonally adjusted



¹ The East South Central Census division includes Alabama, Kentucky, Mississippi, and Tennessee.

State Unemployment (Seasonally Adjusted)

Three of the East South Central states had unemployment rates more than 0.5 percentage points below the national average of 6.1 percent in September. Mississippi recorded the lowest rate in the division (5.3 percent), followed by Tennessee (5.4 percent) and Alabama (5.5 percent). Mississippi was the only state in the East South Central—and one of only three jurisdictions nationally (along with the District of Columbia and Louisiana)—to report a 1.0 percentage point decline in September. Kentucky had the highest unemployment rate in the division at 5.8 percent, but it was still 0.3 percentage point below the national average.

Over-the-year rate changes in the East South Central division were mixed as two states recorded lower jobless rates (Alabama and Mississippi) and two (Kentucky and Tennessee) had higher rates. Mississippi recorded the largest rate decrease in the division and the second largest in the nation (-1.4 percentage points); Alabama's decline was noticeably smaller (-0.4 percentage point). The rate increases in Tennessee and Kentucky, however, were similar, up 0.5 and 0.4 percentage point, respectively. Nationally, the jobless rate rose 0.4 percentage point over the year as eleven states had increases of one-half percentage point or more, led by Michigan, up 1.3 percentage points. This compared to seven states nationwide recording declines of at least 0.5 percentage point. (See table 1.)

Nonfarm Payroll Employment (Seasonally Adjusted)

Nonfarm employment was down in three of the four East South Central states in September. Tennessee recorded the largest over-the-month decrease in employment in the division (-3,300 jobs). Trade, transportation, and utilities; professional and business services; and leisure and hospitality all lost more than 2,000 jobs and financial activities was down 1,600. These losses were partially offset by gains in construction, education and health services, and the government. Losses totaled 2,600 in Alabama and 2,000 in Kentucky. Employment in Mississippi, on the other hand, edged up 800 over the month, marking the third consecutive month of job growth totaling 2,800 over the period. Nationwide, 24 states posted employment gains over the month with the largest increases occurring in Florida (+20,800), Missouri (+18,100), Georgia (+13,300), and Texas (+12,600). The states with the largest employment decreases were Maryland (-36,900), Ohio (-21,700), Wisconsin (-20,600), and North Carolina (-19,800).

Over the past year, employment declined by 17,000 in Kentucky and 16,900 in Alabama, but showed little change in Mississippi and Tennessee. Both Kentucky and Alabama lost a large number of government jobs, 3,400 and 4,100, respectively; another 1,100 jobs were lost in the leisure and hospitality industry in both of these states. But there were not too many other similarities; for example Kentucky lost jobs in construction and trade, transportation, and utilities while Alabama added jobs in these industries. Nationwide, the largest over-the-year gains in employment occurred in Florida (+96,700), Georgia (+74,500) and Texas (+44,800). The largest employment declines were in Michigan (-82,000), Ohio (-66,700), Illinois (-54,400), California (-51,300), and New York (-50,400).

The East South Central states employment release uses nonfarm payroll data [from the Current Employment Statistics (CES) program] based on the North American Industry Classification System (NAICS). The NAICS conversion involved major definitional changes to a number of industry series; consequently, SIC and NAICS data are not comparable and the SIC-based series are no longer being produced. Historical time series for all published data will have a NAICS history extending back to at least January 1990. For more information on the conversion to NAICS visit the CES homepage at <http://www.bls.gov/ces> or call 202-691-6555.

The East South Central release will be issued approximately every three months. The months of March, June, September and December will be the focus of these releases.

Technical Note

This release presents labor force and unemployment data for census divisions and states from the Local Area Unemployment Statistics (LAUS) program. Also presented are nonfarm payroll employment estimates by state and major industry from the Current Employment Statistics (CES) program. The LAUS and CES programs are both Federal-State cooperative endeavors.

Labor force and unemployment--from the LAUS program

Definitions. The labor force and unemployment data are based on the same concepts and definitions as those used for the official national estimates obtained from the Current Population Survey (CPS), a sample survey of households that is conducted for the Bureau of Labor Statistics (BLS) by the U.S. Census Bureau. The labor force includes both the employed and the unemployed. Employed persons are those who did any work at all for pay or profit in the survey reference week (the week including the 12th of the month) or worked 15 hours or more without pay in a family business or farm, plus those not working who have a job from which they were temporarily absent, whether or not paid, for such reasons as labor-management dispute, illness, or vacation. Unemployed persons are those who did not work at all (in the reference week), have actively looked for a job (sometime in the 4-week period ending with the survey reference week), and are currently available for work; persons on layoff expecting recall need not be looking for work to be counted as unemployed.

Method of estimation. Effective January 1996, estimates for all states, the District of Columbia, the Los Angeles-Long Beach metropolitan area, and New York City are produced using estimating equations based on regression techniques. This method utilizes data from several sources, including the CPS, the CES, and state unemployment insurance (UI) data. A detailed description of the estimation procedures is available from BLS upon request. Effective January 1998, estimates for census regions and divisions are obtained by summing the model-based estimates for the component states and then calculating the unemployment rate.

Annual revisions. Labor force and unemployment data shown for the prior year reflect adjustments made at the end of each year, usually with January estimates. The adjusted estimates reflect updated population data from the U.S. Census Bureau and any revisions in the other data sources. In addition, data for all states, the District of Columbia, and the two large sub-state areas noted are adjusted annually to equal the CPS annual averages, usually effective with January estimates. The regional and state data will not sum to national totals obtained from the CPS, since the monthly state estimates are not based directly on the CPS.

Seasonal adjustment. Seasonal adjustment of state (and Los Angeles-Long Beach and New York City) labor force levels are computed by aggregating independently seasonally adjusted employment and unemployment levels. Unemployment rates are then computed from these independently adjusted levels. Region and division levels are calculated as the sum of the levels of the component states. Revisions of historical data for the most recent 5 years are usually made at the beginning of each calendar year, usually coincident with January estimates.

Employment--from the CES program

Definitions. Employment data refer to persons on establishment payrolls who receive pay for any part of the pay period which includes the 12th of the month, except for federal government employment, which represents the number of persons who occupied positions on the last day of the month. Persons are counted at their place of work rather than at their place of residence; those appearing on more than one payroll are counted on each payroll. Industries are classified on the basis of their principal activity in accordance with the 2002 version of the North American Industry Classification System.

Method of estimation. The employment data are estimated using a "link relative" technique in which a ratio (link relative) of current-month employment to that of the previous month is computed from a sample of establishments reporting for both months. The estimates of employment for the current month are obtained by multiplying the estimates for the previous month by these ratios.

Annual revisions. Employment estimates are adjusted annually to a complete count of jobs, called benchmarks, derived principally from tax reports which are submitted by employers who are covered under state unemployment insurance (UI) laws. The benchmark information is used to adjust the monthly estimates between the new benchmark and the preceding one and also to establish the level of employment for the new benchmark month. Thus, the benchmarking process establishes the level of employment, and the sample is used to measure the month-to-month changes in the level for the subsequent months.

Seasonal adjustment. Seasonally adjusted payroll employment totals for states are computed by aggregating the independently adjusted series for major industry divisions. Revisions of historical data for the most recent 5 years are made once a year, coincident with annual benchmark adjustments.

Caution on aggregating state data. State estimation procedures are designed to produce accurate data for each individual state. BLS independently develops a national employment series; state estimates are not forced to sum to national totals. Because each state series is subject to larger sampling and nonsampling errors than the national series, summing them cumulates individual state level errors and can cause significant distortions at an aggregate level. Due to these statistical limitations, BLS does not compile a "sum-of-states" employment series, and cautions users that such a series is subject to a relatively large and volatile error structure.

Reliability of the estimates

The estimates presented in this release are based on sample survey and administrative data and thus are subject to sampling and other types of errors. Sampling error is a measure of sampling variability--that is, variation that occurs by chance because a sample rather than the entire population is surveyed. Survey data also are subject to nonsampling errors, such as those which can be introduced into the data collection and processing operations. Estimates not directly derived from sample surveys are subject to additional errors resulting from the special estimation processes used. The sums of individual items may not always equal the totals shown in the same tables because of rounding. With respect to the LAUS program, unemployment rates are computed, in most instances, from unrounded data rather than from data that may be displayed in the tables; differences, however, are generally insignificant.

Labor force and unemployment estimates. Measures of sampling error, in the form of standard errors for state annual average estimates derived from the CPS, are available in the annual BLS bulletin, Geographic Profile of Employment and Unemployment. Measures of nonsampling error for CPS data are not available, but additional information on the subject is provided in the BLS monthly periodical, Employment and Earnings.

Employment estimates. Measures of sampling error are not available for state CES data, but the relatively large size of samples maintained by the state agencies and the annual adjustment of employment estimates to more recent benchmark levels assure a high degree of accuracy. Information on recent benchmark revisions for states is available upon request.

Additional information

More complete information on the technical procedures used to develop these estimates and additional data appear in *Employment and Earnings*, which is available by subscription from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402 (telephone 202-512-1800), and from the BLS Handbook of Methods, Bulletin 2490, August 1997.

Estimates of labor force and unemployment for over 330 metropolitan areas are available in the news release, *Metropolitan Area Employment and Unemployment*. Estimates of labor force, employment, and unemployment for all states, metropolitan areas, labor market areas, counties, cities with a population of 25,000 or more, and other areas used in the administration of various federal economic assistance programs are available from the BLS Internet at (<http://www.bls.gov/lau/>). Employment data from the CES program are available at (<http://www.bls.gov/sae/>). Further information on these data as well as other Bureau programs is available on the Atlanta Information Office website (<http://www.bls.gov/ro4/home.htm>). For personal assistance, contact the Atlanta Information Office by e-mail (BLInfoAtlanta@bls.gov). Information will be available to sensory impaired individuals upon request. Voice phone: 202-691-5200; TDD message referral phone: 1-800-877-8339.

Data may also be obtained from the following cooperative state agencies.

<u>Agency</u>	<u>Telephone</u>
Alabama Department of Industrial Relations	334-242-8859
Kentucky Workforce Development Cabinet	502-564-7976
Mississippi Employment Security Commission	601-961-7424
Tennessee Department of Labor and Workforce Development	615-741-2284

Table 1. Civilian labor force and unemployment for the United States, East South Central division and states, seasonally adjusted

(in thousands)

Area	Civilian labor force					Unemployed									
						Number					Percent of labor force				
	Sept 2002	June 2003	July 2003	Aug 2003	Sept 2003 (p)	Sept 2002	June 2003	July 2003	Aug 2003	Sept 2003 (p)	Sept 2002	June 2003	July 2003	Aug 2003	Sept 2003 (p)
United States	145,634	147,096	146,540	146,530	146,545	8,321	9,358	9,062	8,905	8,973	5.7	6.4	6.2	6.1	6.1
East South Central	8,282.2	8,381.0	8,392.5	8,352.0	8,362.4	461.0	488.9	488.7	467.6	458.4	5.6	5.8	5.8	5.6	5.5
Alabama	2,097.4	2,152.7	2,155.2	2,142.3	2,145.3	124.0	121.9	121.8	122.3	117.0	5.9	5.7	5.7	5.7	5.5
Kentucky	1,960.2	1,986.8	1,998.2	1,989.1	1,997.3	106.7	117.4	122.7	115.3	116.3	5.4	5.9	6.1	5.8	5.8
Mississippi	1,292.4	1,330.8	1,336.3	1,322.7	1,315.1	86.9	94.1	97.7	83.6	69.7	6.7	7.1	7.3	6.3	5.3
Tennessee	2,932.2	2,910.7	2,902.7	2,897.8	2,904.6	143.4	155.5	146.5	146.4	155.5	4.9	5.3	5.0	5.1	5.4

(p) = preliminary

Table 2. Employees on nonfarm payrolls for the United States and states in the East South Central division and selected industry divisions, seasonally adjusted

(in thousands)

State	Sept 2002	June 2003	July 2003	Aug 2003	Sept 2003 (p)	Change from Sept 2002 Sept 2003		Change from Aug 2003 Sept 2003	
						Percent	Net	Percent	Net
United States									
Total nonfarm 1/	130,289	129,903	129,846	129,881	130,006	-0.2	-283	0.1	125
Construction	6,728	6,800	6,804	6,825	6,841	1.7	113	0.2	16
Manufacturing	15,196	14,692	14,631	14,592	14,564	-4.2	-632	-0.2	-28
Trade, transportation, and utilities	25,430	25,238	25,211	25,217	25,241	-0.7	-189	0.1	24
Financial activities	7,851	7,972	7,981	7,980	7,989	1.8	138	0.1	9
Professional and business services	16,008	16,006	16,063	16,054	16,124	0.7	116	0.4	70
Educational and health services	16,273	16,503	16,487	16,541	16,569	1.8	296	0.2	28
Leisure and hospitality	11,975	12,039	12,051	12,051	12,058	0.7	83	0.1	7
Government	21,526	21,476	21,458	21,470	21,478	-0.2	-48	0.0	8
Alabama									
Total nonfarm 1/	1,887.6	1,873.3	1,872.7	1,873.3	1,870.7	-0.9	-16.9	-0.1	-2.6
Construction 2/	100.6	101.1	101.7	101.8	103.3	2.7	2.7	1.5	1.5
Manufacturing	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Trade, transportation, and utilities	371.0	373.0	373.9	376.5	375.2	1.1	4.2	-0.3	-1.3
Financial activities	97.5	97.2	97.3	97.1	97.8	0.3	0.3	0.7	0.7
Professional and business services	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Educational and health services	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Leisure and hospitality	152.6	151.3	148.7	149.5	151.5	-0.7	-1.1	1.3	2.0
Government	355.8	357.9	353.3	357.1	351.7	-1.2	-4.1	-1.5	-5.4
Kentucky									
Total nonfarm 1/	1,783.2	1,770.9	1,761.2	1,768.2	1,766.2	-1.0	-17.0	-0.1	-2.0
Construction 2/	83.0	80.5	79.4	80.4	80.8	-2.7	-2.2	0.5	0.4
Manufacturing	272.7	268.3	269.4	269.3	269.3	-1.2	-3.4	0.0	0.0
Trade, transportation, and utilities	370.3	365.1	366.5	365.9	365.3	-1.4	-5.0	-0.2	-0.6
Financial activities	84.9	85.1	85.1	84.1	83.7	-1.4	-1.2	-0.5	-0.4
Professional and business services	155.8	155.0	155.3	154.3	154.8	-0.6	-1.0	0.3	0.5
Educational and health services	223.0	225.9	225.7	224.8	226.0	1.3	3.0	0.5	1.2
Leisure and hospitality	152.3	152.1	153.2	153.0	151.2	-0.7	-1.1	-1.2	-1.8
Government	313.2	315.0	302.1	311.1	309.8	-1.1	-3.4	-0.4	-1.3
Mississippi									
Total nonfarm 1/	1,127.0	1,123.4	1,123.7	1,125.0	1,125.8	-0.1	-1.2	0.1	0.8
Construction	53.9	54.6	55.4	55.4	54.8	1.7	0.9	-1.1	-0.6
Manufacturing	186.3	179.7	179.0	176.2	176.7	-5.2	-9.6	0.3	0.5
Trade, transportation, and utilities	225.5	225.5	226.7	226.9	227.0	0.7	1.5	0.0	0.1
Financial activities	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Professional and business services	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Educational and health services	112.3	110.0	109.6	110.1	111.8	-0.4	-0.5	1.5	1.7
Leisure and hospitality	124.0	122.6	121.9	121.6	121.5	-2.0	-2.5	-0.1	-0.1
Government	242.1	243.1	243.9	244.5	245.9	1.6	3.8	0.6	1.4
Tennessee									
Total nonfarm 1/	2,673.9	2,672.2	2,672.9	2,678.3	2,675.0	0.0	1.1	-0.1	-3.3
Construction 2/	115.1	109.5	109.4	109.7	110.4	-4.1	-4.7	0.6	0.7
Manufacturing	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Trade, transportation, and utilities	575.0	573.6	577.5	576.2	573.5	-0.3	-1.5	-0.5	-2.7
Financial activities	137.4	139.5	141.1	139.3	137.7	0.2	0.3	-1.1	-1.6
Professional and business services	310.0	312.4	314.6	316.4	313.9	1.3	3.9	-0.8	-2.5
Educational and health services	302.9	306.8	306.9	308.3	311.9	3.0	9.0	1.2	3.6
Leisure and hospitality	240.0	242.9	242.9	244.5	242.4	1.0	2.4	-0.9	-2.1
Government	411.1	412.8	411.4	412.2	414.4	0.8	3.3	0.5	2.2

See footnotes at end of table.

1/ Includes natural resources and mining, information, and other services, except public administration, not shown separately.

2/ Natural resources and mining is combined with construction.

3/ This series is not published seasonally adjusted because the seasonal component, which is small relative to the trend-cycle and irregular components, cannot be separated with sufficient precision.

(p) = preliminary.